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Effect of Hurricane Katrina on I-9 Documentation Requirements

I-9 Documentation Requirements For Hiring Hurricane Victims

The Department of Homeland Security announced it will not sanction employers for hiring victims of Hurricane Katrina who, at this time, are unable to provide documentation normally required under Section 274A of the Immigration and Nationality Act. DHS will not bring sanction actions for the next 45 days against employers for hiring individuals evacuated or displaced as a result of Hurricane Katrina who are otherwise eligible for employment but currently lack personal documents. Employers will still need to complete the Employment Eligibility Verification (I-9) Form as much as possible, but should note at this time that the documentation normally required is not available due to the events involving Hurricane Katrina. At the end of 45 days, the Department of Homeland Security will review this policy and make further recommendations. For more information, please go to the official DHS website at: http://www.dhs.gov/dhspublic/

STD Coverage Period Changes from Calendar Days to Workdays

VSDP Short-term Disability Change

Under the Virginia Sickness and Disability Program (VSDP), employees who miss work for at least seven consecutive days because of a medical condition or work-related illness or injury, are eligible to apply for short-term disability benefits.

As a result of legislation passed during the 2005 session of the General Assembly, effective July 1, 2005, the short-term disability period under VSDP changed from 180 calendar days to 125 workdays. Employees whose short-term disability is expected to extend beyond 125 workdays will be placed on long-term disability, assuming all other requirements are met. This is consistent with the use of workdays to determine income replacement levels.

The 125-workday period applies to employees with a date of disability of July 1, 2005 or after. Employees who were on short-term disability before July 1 will continue under the 180-calendar day requirement.

Optional Retirement Plans (ORP)

ORP Procedures

College And University Employees Have 60 Days To Submit VRS-65 Forms
Teaching, research and administrative faculty of Virginia's public colleges and universities have the option to participate in the Optional Retirement Plan (ORP) for Higher Education or the optional retirement plan sponsored by their institution, instead of the VRS Defined Benefit Plan. Employees who elect to participate in the ORP or an institution-sponsored optional retirement plan must complete the Election to Participate in the Optional Retirement Plan for Higher Education (VRS-65) within 60 days of employment. Employers should send these forms to VRS as soon as they are completed.

If an employee does not complete a form within 60 days of employment, he or she is automatically covered by VRS.

VRS has requested that employers with new hires eligible for ORP follow these steps in processing retirement contributions while the employee decides which retirement plan to participate in:

1. Adding new employee to CIPPS
   a. **HMCU1** - enter one of the ORP retirement plan codes (FI or TA – use the one most often chosen at your agency).
   b. **H0ZDC** – Change the frequency of Deduction 009 (FI) or 014 (TA) to "00" so that no contributions are made
2. Upon receipt of completed Election form (VRS-65)
   a. **HMCU1** – Enter the Retirement Plan Code that matches the employee election. *Note - If it is the same code that you used when you initially set up the employee, re-entering it on HMCU1 will change the frequency for that deduction back to "09" on H0ZDC.*
   b. **HTODA** – Enter deduction adjustments to bring the retirement contributions up to date, entering the adjustment amount for each month separately. Remember that the "End Date" in the Transaction 503 line tells VRS which month to post the adjustment to.
3. If Election form (VRS-65) Not Received by Deadline
   a. **HMCU1** – Change the Retirement Plan Code to "VS". This will add deductions 016 Retirement and 036 LT Disability to the H0ZDC screen. The frequency for each will automatically be set to "09".
   b. **HTODA** – Enter deduction adjustments to bring the retirement (016) and Long Term Disability (036) contributions up to date, entering the amounts for each month separately. Remember that the "End Date" in the Transaction 503 line tells VRS which month to post the adjustment to.

Retirement Adjustments for Employees in LTD

LT Code on HMCU1

When an employee goes into Long Term Disability, the Retirement Plan Code on HMCU1 must be updated to "LT". No retirement contributions should be made through CIPPS for employees whose code is "LT". If you need to make an adjustment to an employee in LTD, please submit a paper 1501 to VRS.

Tuition Reimbursements

Tax Implication of Tuition Reimbursements

Exclusion from wages. You can exclude up to $5,250 of educational assistance provided to an employee under a qualified educational assistance program from the employee's wages each year.

Assistance over $5,250.   If you do not have a qualified educational assistance plan, or you provide an employee with assistance exceeding $5,250, you can exclude the value of these benefits from wages if they are working condition benefits. Property or a service provided is a working condition benefit to the extent that if the employee paid for it, the amount paid would have been deductible as a business or depreciation expense. Use Special Pay Code 042, Tuition, to process taxable reimbursements through CIPPS.

Special Characters in Last Name Field

Effect of Special Characters in Last Name Field

VRS has informed DOA that unusual characters in the last name field (e.g. * - asterisk) prevent them from being able to post retirement contributions to RIMS as it is identified as a name "mismatch." Therefore, this practice should be discontinued.

As middle name is not passed to VRS, the special character can be placed in that field. Alternatively, if your agency does not use all the fields in the organizational code, the character can be placed there.

Names must be identical in CIPPS and VRS. If someone reports a hyphenated name through CIPPS, the hyphenated name must be in the VRS system as well. Name changes can be submitted to VRS on the VRS-48 form that can be downloaded from their website.

Each agency should have the ability to use Quick Access if necessary to check how VRS has the name listed in their system. If you do not have Quick Access, call the customer contact center to get set up for Quick Access.

Federal Deposit Recap Report Discontinued

Federal Deposit Recap Report

Monthly distribution of this report will be discontinued effective October 1, 2005. This is the report that lists the Payroll Tax Deposits made for your agency each month. Agencies who find that a copy is needed should contact Annie Callanta.

PBP **Changing Workweeks**

How to Stay in Compliance with FLSA

While the Fair Labor Standards Act encourages employers to establish permanent workweeks, occasionally you may have to make a change to meet shifting business needs.

Steps to a successful transition:

1. Add the overlapping days to the old workweek.
2. Calc the OT hours and pay due for the old and new workweeks on this basis.
3. Add the overlapping days to the new workweek.
4. Calc the OT hours and pay due for the old and new workweeks on this basis.
5. Pay the employee the greater amount from 2 or 4

(Taken from APA "Strategic Payroll Practices" seminar.)

Internet SSN Verification

SSA Expands Internet SSN Verification

All employers now have the ability to verify employee names and social security numbers in the Social Security Administration database. Employers can submit up to 10 employee names and SSNs to the SSA through the Internet and receive immediate results.

Those who wish to use the program must register with SSA's Business Services Online. To register or find out more go to:

http://www.ssa.gov/bso/bsowelcome.htm

Payline Masking and Reporting

Masking Function

In order to be able to mask transactions in Payline, you must first have a permanent security record. When you log onto Payline with your temporary password, you will be prompted for information to establish your permanent security record. Your request for masking security **cannot** be processed until this has been completed.

Reporting Function

Agencies able to mask transactions in Payline also have the ability to view payment statistics in Payline. The reporting function is used to display the number of employees enrolled in Payline, the total number of checks produced for the agency, and the total number of direct deposits made for the agency.

Surfing the Web

Helpful Web Sites

Child Support Questions:
www.acf.dhhs.gov/programs/cse/newhire/employer/contacts/iw_matrix.htm

Records required for covered, nonexempt workers:
http://www.dol.gov/dol/topic/workhours/hoursrecordkeeping.htm

Calculate the effect of tax withholdings:
http://www.irs.gov/individuals/article/0,,id=96196,00.html

Search by Bank name, location or routing number:
http://www.fedwiredirectory.frb.org/search_ACH.cfm

DOA's Report Writer Matrix (Contact J.R. Rodgers if requesting a report not previously used):
http://www.doa.virginia.gov/procedures/Payroll/ReportWriterMatrix.pdf